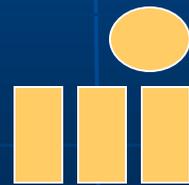


Hunting Towers and Hunting Creek Plaza Condominiums

A Unique Opportunity
For Affordable Workforce Housing
On the Alexandria Waterfront

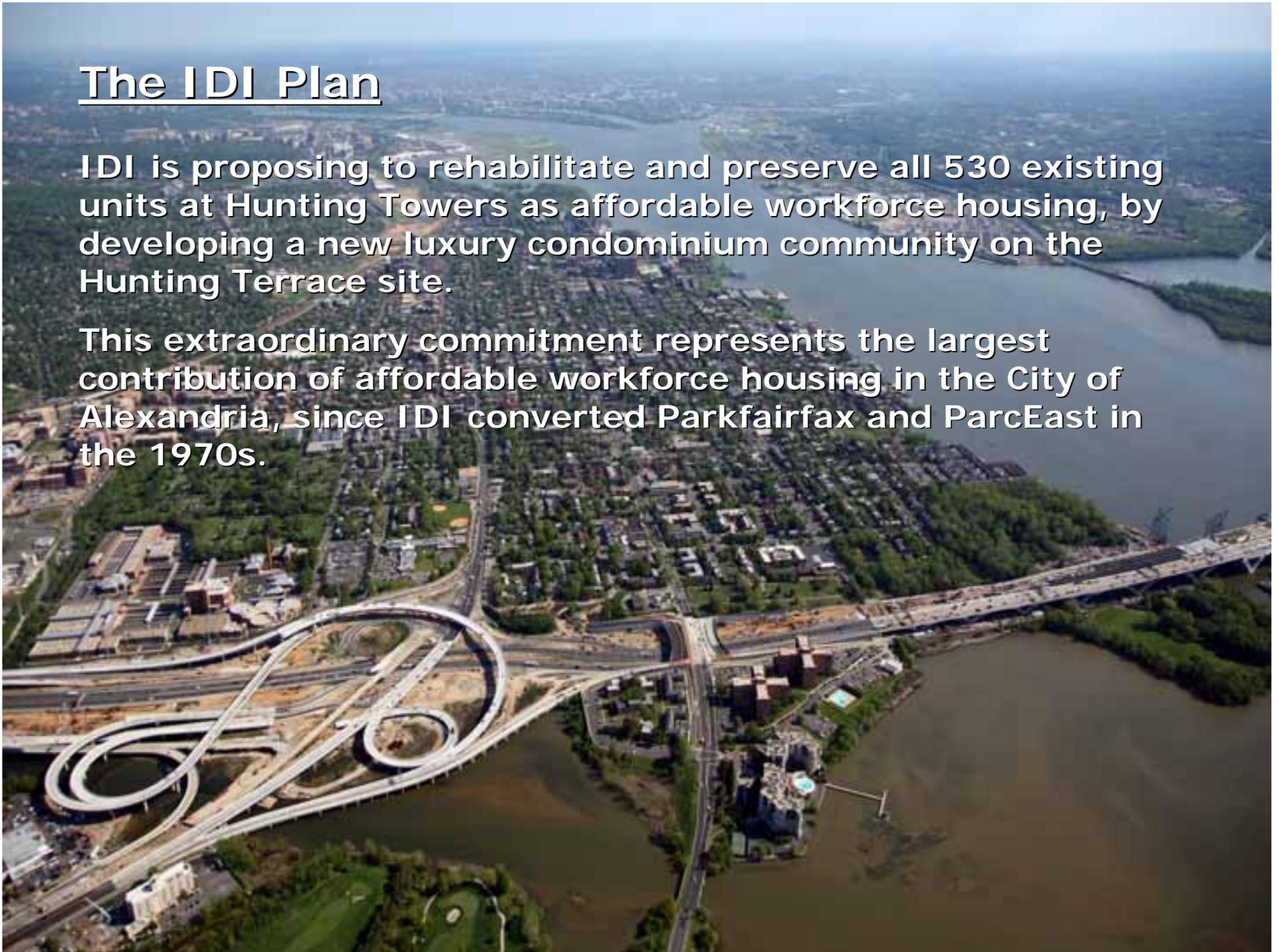


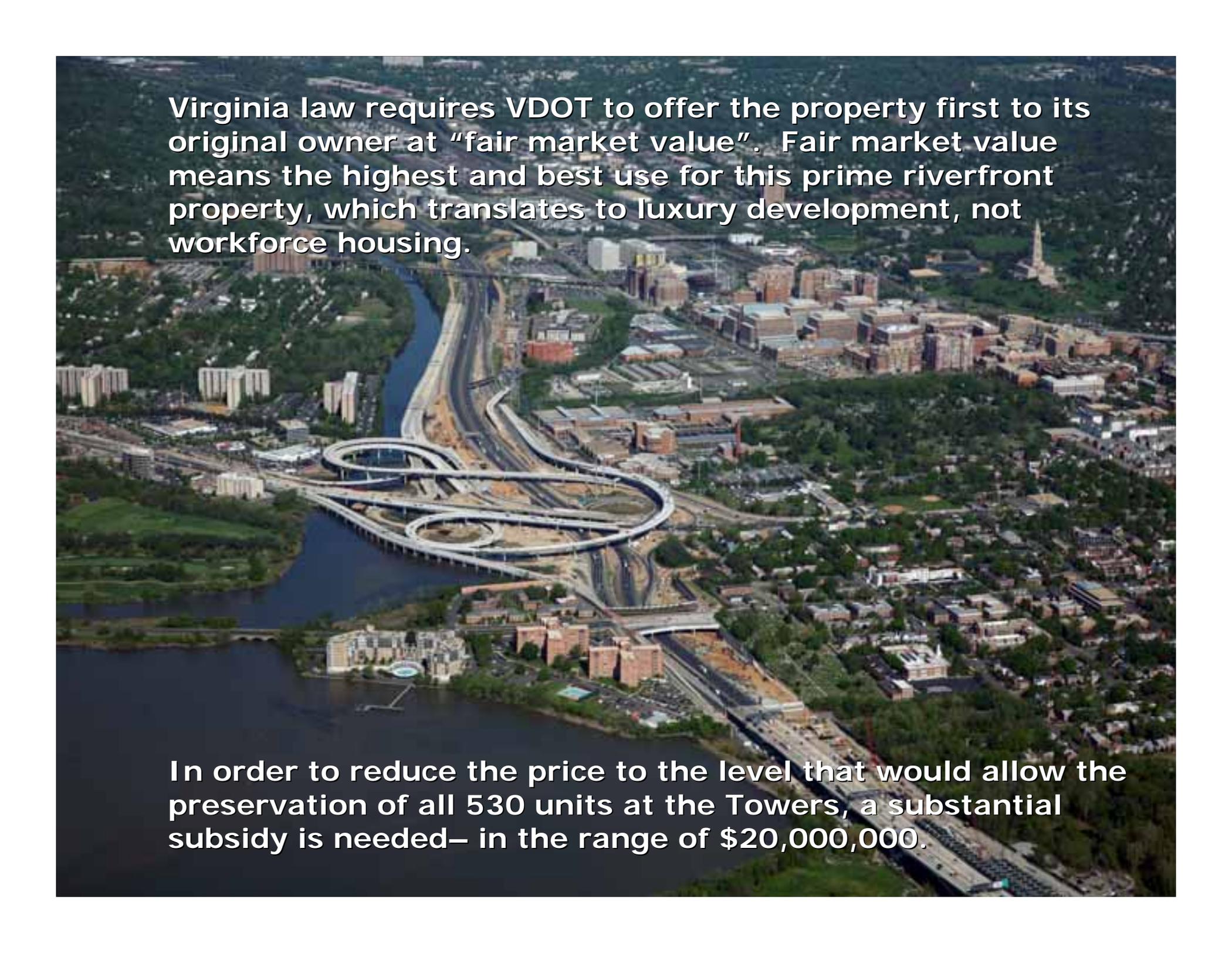
The IDI Group Companies

The IDI Plan

IDI is proposing to rehabilitate and preserve all 530 existing units at Hunting Towers as affordable workforce housing, by developing a new luxury condominium community on the Hunting Terrace site.

This extraordinary commitment represents the largest contribution of affordable workforce housing in the City of Alexandria, since IDI converted Parkfairfax and ParcEast in the 1970s.



An aerial photograph of a city, likely Alexandria, Virginia, showing a river, a complex highway interchange, and various urban buildings. The text is overlaid on the top left of the image.

Virginia law requires VDOT to offer the property first to its original owner at “fair market value”. Fair market value means the highest and best use for this prime riverfront property, which translates to luxury development, not workforce housing.

In order to reduce the price to the level that would allow the preservation of all 530 units at the Towers, a substantial subsidy is needed— in the range of \$20,000,000.

To generate this very large subsidy, IDI has requested the City to allow additional height and density on part of the Hunting Terrace site. IDI is proposing to construct a luxury condominium community on the Terrace site consisting of 361 units that will include two 5-story buildings facing Washington Street, and two buildings stepping up from 8 to 14-stories at the back of the site next to Hunting Creek.

Using the funds generated from the additional height and density, IDI plans to rehabilitate and preserve the existing Hunting Towers apartments as workforce condominium units.



Hunting Creek Area with Proposed Hunting Creek Plaza

The additional density and height will only be applied to the two buildings at the back of the site, while the area fronting the Parkway will conform to the Washington Street Standards, including an 80-foot setback of landscaped area between the Parkway and the buildings.

The additional height and density on these two buildings in the rear – in particular the top 5 floors - will directly generate the bulk of the subsidy needed to preserve the Towers, estimated to be in the range of \$20,000,000.

Without the City's approval of this additional height and density on a portion of IDI's Terrace project, the preservation of all 530 units at Hunting Towers is not possible.

Project Description

- Over the past two years, IDI has been working closely with City staff and has made various presentations to the Hunting Creek Stakeholders Group established by City Council.
- As a result, IDI has modified and refined its site plan several times to respond to community input and to achieve its stated goals for redevelopment in the Hunting Creek area.



Illustrative Site Plan

IDI has set all of the buildings along the Parkway 80 feet back from the property line, resulting in an unbroken connection of high quality landscaping from the new urban deck over the Beltway all the way south to the Hunting Creek Bridge and the Fairfax County line.

The proposed plan provides for pleasant pedestrian connections to the north towards Old Town and to the south towards Hunting Creek.

Large openings have been introduced between the buildings in order to break-up the mass of the buildings and to open up view sheds through the site from a variety of angles.

The large site has been divided into two city blocks, by introducing an internal street, Hunting Creek Way.

All of the parking for Hunting Creek Plaza will be located underground in covered garages.

The two buildings on the block facing Washington Street are 50 feet high and conform to the Washington Street Standards.



These buildings provide the appearance of historically accurate bay widths by using changes in materials, colors and building set backs.

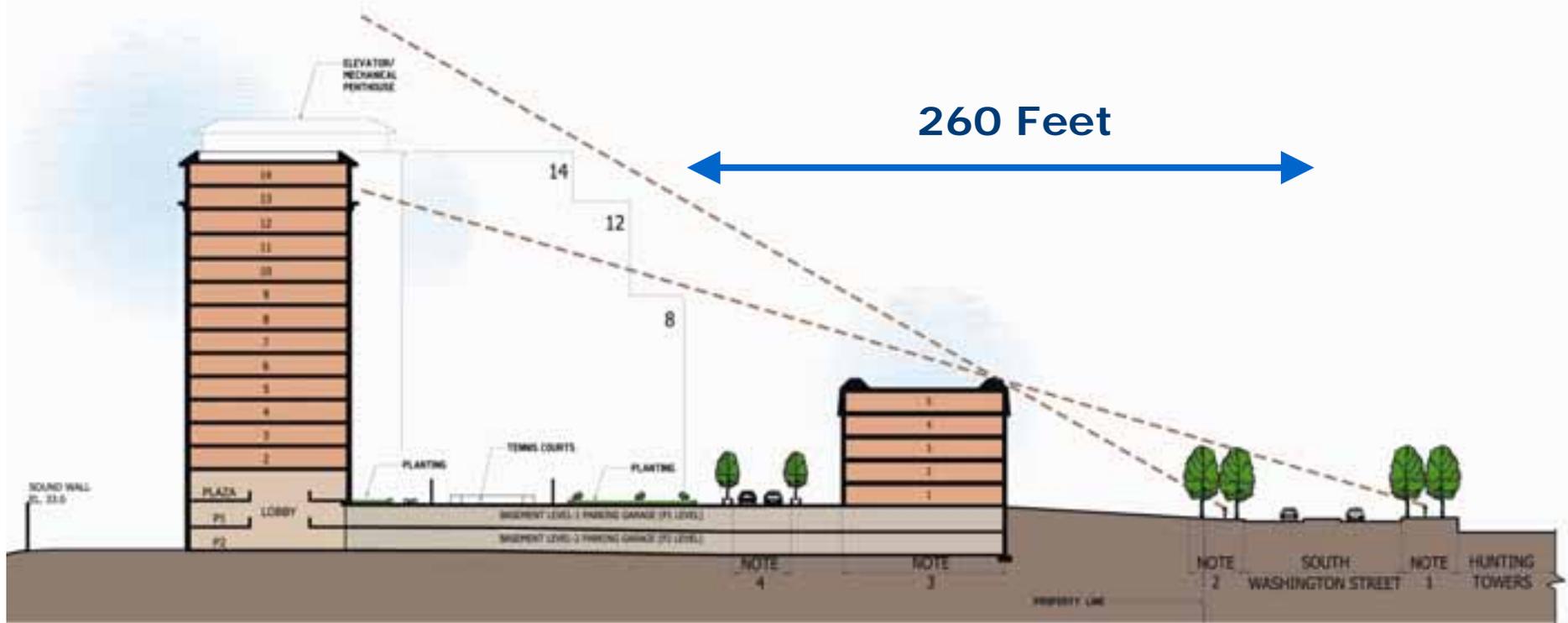
Washington Street Rendering from Hunting Towers

Their design is compatible in scale and character with existing buildings along Washington Street.



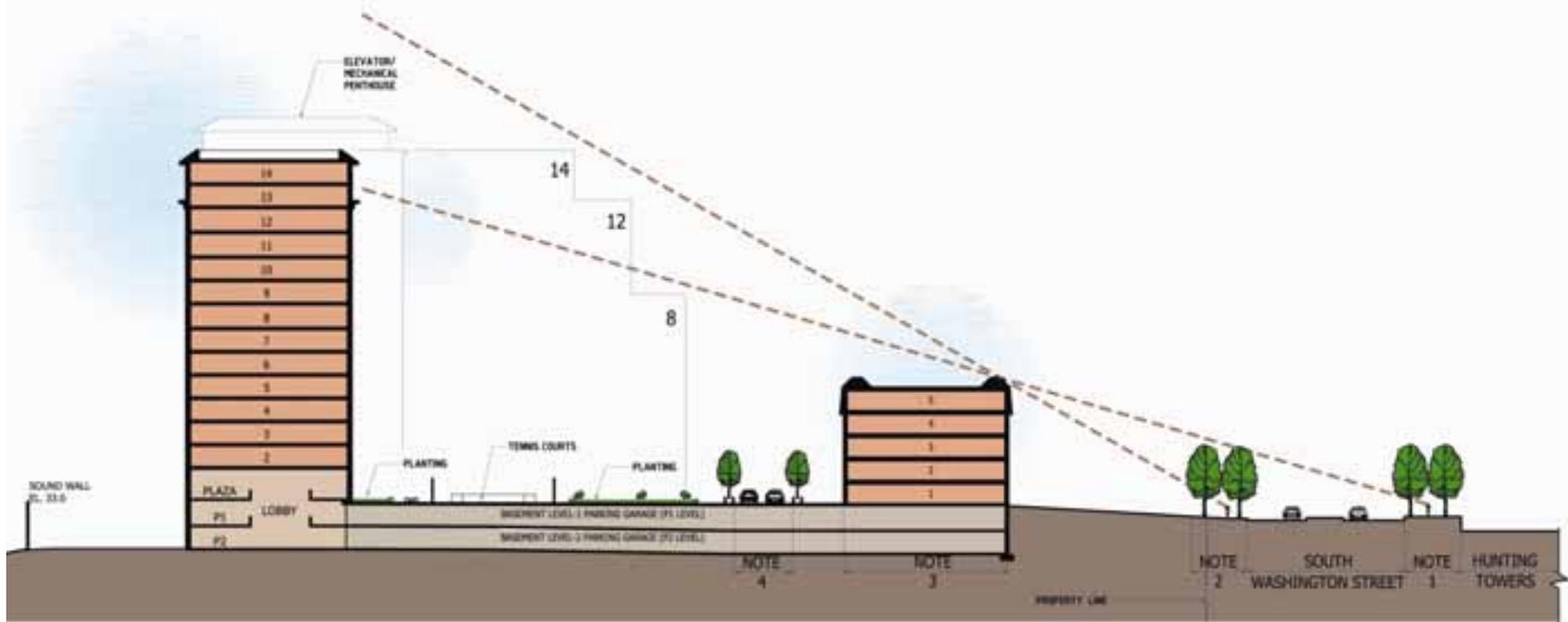
Precedents: Washington Street

The buildings with additional height are located back in the western portion of the site, on a separate block about 260 feet from Washington Street, or about the distance of a city block.

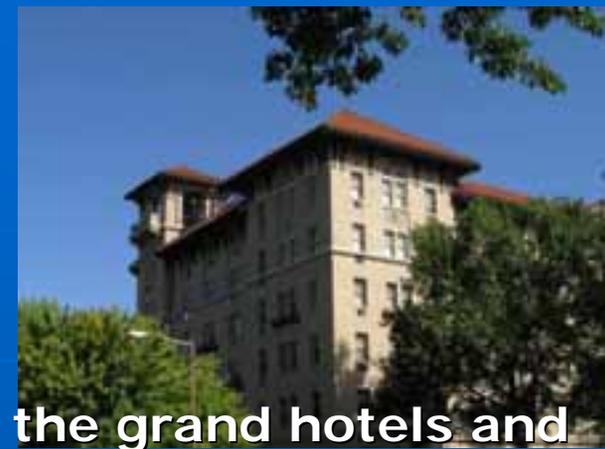
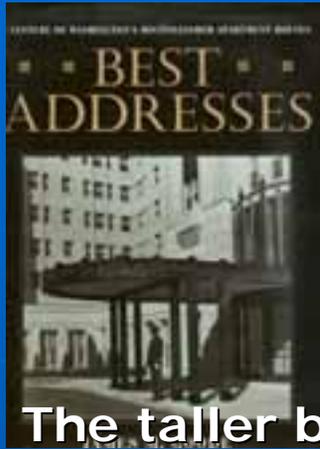


Tower Visibility Analysis

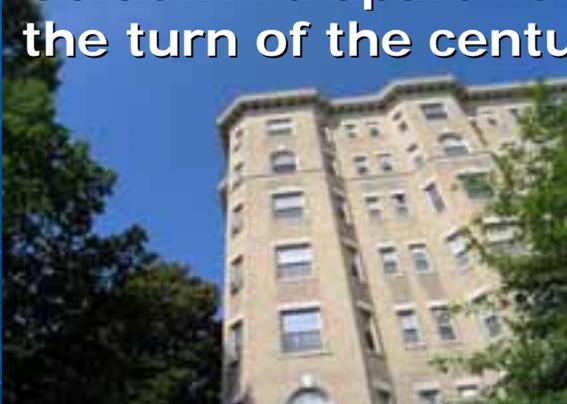
These buildings will be largely shielded from view by the 5-story buildings in front, and the proposed landscaping along Washington Street.



Tower Visibility Analysis



The taller buildings are reminiscent of the grand hotels and Golden Era apartment buildings built in Washington D.C. at the turn of the century.



Concept Images: 'Golden Era' Apartment Buildings



Particular attention was paid to the distinctive rusticated limestone bases featured on many of these Golden Era buildings.



As well as to the top floors, which exhibit detailed expression bands and strong cornice lines.

Concept Images: 'Golden Era' Apartment Buildings



**Photo Montage:
View from The Bearings Condominium**



**Photo Montage:
Washington Street – Southbound at Church Street**

The masonry buildings are stepped back at the 8th and 12th floors. The scale of the buildings is further reduced by the use of balconies, a dynamic roofline, and strong horizontal expression bands at the 3rd and 12th floors.



**Computer Model:
Washington Street – Southbound at Urban Deck**



**Computer Model:
Washington Street – Southbound at the end of the Urban Deck**

The elevator penthouses on each building are designed as two pavilions and create the appearance of two towers.



**Computer Model:
Washington Street – North Low-Rise Building**



**Computer Model:
Washington Street – South Low-Rise Building**

The top two floors are designed as a two-story penthouse in metal and glass set back on the 12th floor, so that from Washington Street the mass of the buildings appears to end at the 12th floor.



**Computer Model:
Washington Street – Northbound from Porto Vecchio entrance**



**Photo Montage:
GW Parkway – Northbound Entering Hunting Creek Area**



**Photo Montage:
GW Parkway – Northbound at Hunting Creek Bridge**

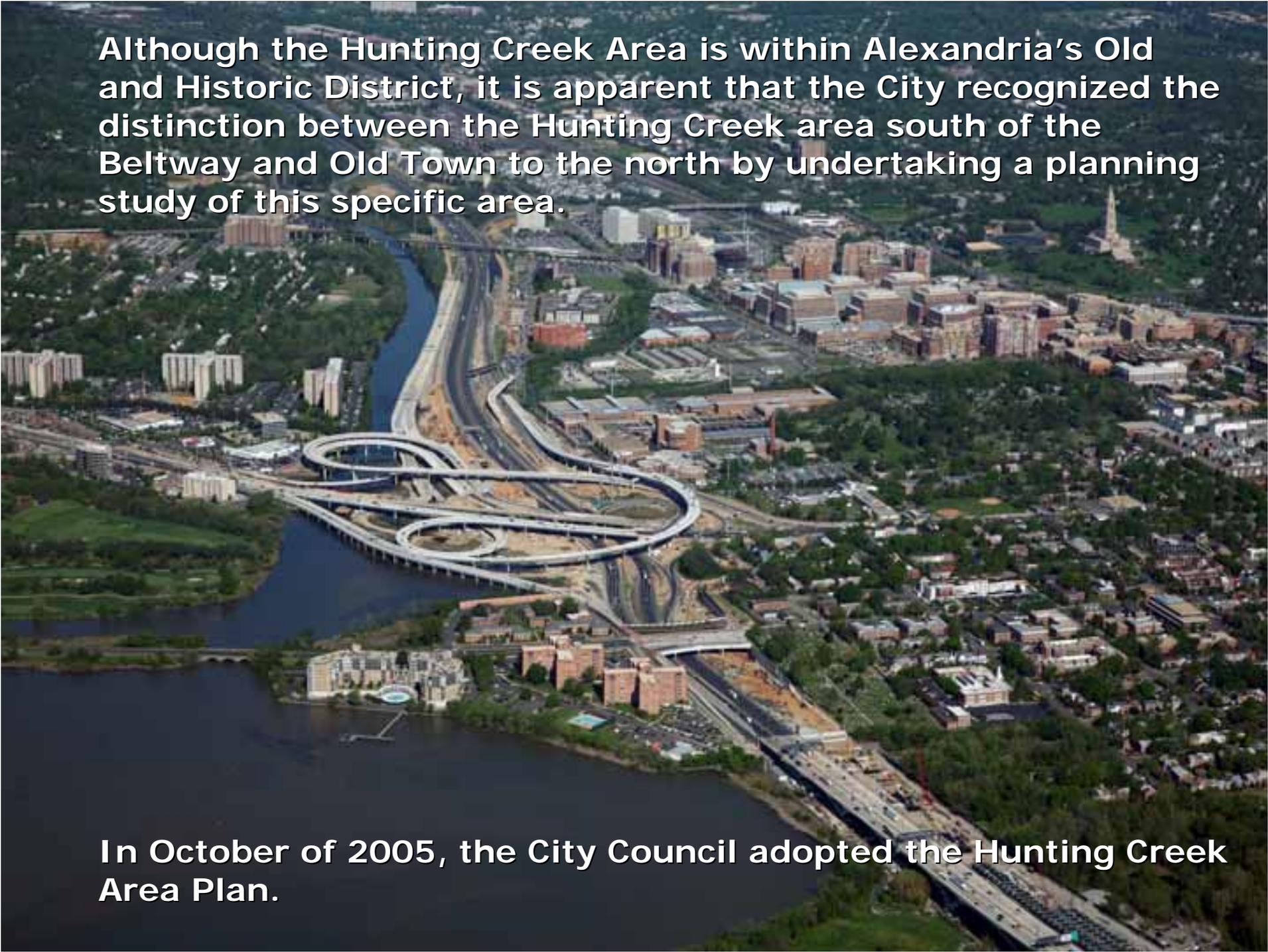


**Photo Montage:
GW Parkway – Northbound from Belle Haven**



When Hunting Creek Plaza is completed, the total number of dwelling units in the Hunting Creek Area (including Porto Vecchio and Hunting Towers) will be 87 units less than what it was before VDOT's demolitions. This means less traffic will be generated.

Hunting Creek Area with Proposed Hunting Creek Plaza



Although the Hunting Creek Area is within Alexandria's Old and Historic District, it is apparent that the City recognized the distinction between the Hunting Creek area south of the Beltway and Old Town to the north by undertaking a planning study of this specific area.

In October of 2005, the City Council adopted the Hunting Creek Area Plan.

Much of the Hunting Creek Area Plan focuses on improving this southern gateway into the City: for example, the plan recommends increased building set backs from Washington Street in order to provide an appropriate transition from the Parkway into the urban core of Old Town, as well as to provide opportunities for enhanced landscaping and improved pedestrian connections with Old Town to the north.

However, the Hunting Creek Area Plan also recognizes the vital importance of this area in providing a significant amount of workforce housing to City residents over the past 60 years, and it expresses the strong desire of the City to preserve workforce housing units here by working with the area's landowners and developers.

Hunting Creek Area



Hunting Terrace

Hunting Towers

Porto Vecchio

- The proposed Hunting Creek Plaza condominium conforms to the requirements of the Hunting Creek Area Plan, and indeed, responds in a definitive manner to one of its major points. In summary:
 - *In order to retain affordable and workforce housing in the City, the City Council may allow additional height and density, if the project provides for extraordinary affordable housing.*



The primary purpose of IDI's applications is to preserve an extraordinary number of workforce housing in Hunting Towers, by developing a new luxury residential condominium on the Hunting Terrace site.

Hunting Creek Area with Proposed Hunting Creek Plaza

- **To achieve the development described above, IDI has proffered the following as a condition to its application. In summary:**
 - 1. IDI commits to acquire Hunting Towers from VDOT as soon as it is offered for sale.**
 - 2. To guarantee its firm commitment to acquire Hunting Towers, IDI will post \$20,000,000 in escrow at the time the Hunting Creek Plaza project is approved.**
 - 3. The \$20,000,000 letter of credit will be released to IDI at closing on Hunting Towers acquisition and become part of the purchase price.**
 - 4. IDI commits to repair and restore Hunting Towers and to sell the restored units first to the tenants, second to the workforce employed by the City of Alexandria, and third to the general public at workforce prices.**
 - 5. Up to 100 units, including any units rented to elderly, disabled or long-term tenants, will be made available to the City Housing Corporation or a non-profit entity designated by the City at the same price offered to the City workforce, to manage as workforce rental units.**
 - 6. IDI will cooperate with the City's Office of Housing to establish appropriate re-sale criteria to ensure continued affordability of the homes over time.**

Hunting Towers Pricing:

Tenant Pricing

- For those tenants who were in residence on December 15, 2005, and remain in residence (including tenants who resided at Hunting Terrace on December 15, 2005, and relocated to Hunting Towers) IDI will offer special discounts so that the net monthly cost of ownership will be below the market rent for their unit.
- The net monthly cost of ownership includes the principal and interest on the mortgage, mortgage insurance, condominium fees, real estate taxes and income tax deductions.

Tenant Pricing

As a result, these are the price ranges established for the tenants who were in residence as of December 15, 2005:

Efficiency: between \$125,000 and \$170,000

1-Bedroom: between \$170,000 and \$195,000

2-Bedroom: between \$205,000 and \$240,000

In all 3 categories there are slightly different unit types, different view exposures and different floors within each building. These 3 factors are determining the price ranges.

IDI will freeze these discounted tenant prices for a period of two years (until October 2009), after which they will be increased according to the rate of Consumer Price Index.

Tenant Pricing

- **IDI will also provide special closing cost assistance to these qualified tenants, as follows:**
 - **IDI will set aside funds of up to half a million dollars (\$500,000) to be applied on an as-needed basis to cover a portion of the closing costs for tenant purchases.**
 - **IDI will also calculate the difference between the monthly rent that tenants pay at the time IDI acquires the property from VDOT and any increased rent that they may pay afterwards until they settle on their rehabilitated unit, and IDI will credit that amount toward their closing costs at settlement.**

Tenant Pricing

- IDI has always been committed to assisting those in our communities who are elderly, disabled, or who are long-term residents (20+ years in residence). Therefore, IDI will allow those tenants who are elderly, disabled or long-term tenants and who were in residence as of December 15, 2005 and remain in residence (including tenants who resided at Hunting Terrace on December 15, 2005 and relocated to Hunting Towers) to continue to rent their units indefinitely, if they so choose, under renewable long-term leases.
- IDI will offer those tenants who began renting after December 15, 2005, the opportunity to purchase their renovated units at the same discounted prices offered to the workforce employed by the City of Alexandria
- Of course, IDI will provide relocation assistance to tenants that elect not to purchase and instead move elsewhere, in line with the City's requirements.

City Workforce Pricing

- For the workforce employed by the City Alexandria (including Police Department, Sheriff's Office, Fire & Rescue, nurses, teachers, etc.), IDI will offer a second level of special discounts targeted to the following income levels:
 - **Efficiencies:** affordable to those households earning between HUD 80% to Mathematical 100% of Area Median Income, as established at the time of renovation;
 - **1 and 2 Bedrooms:** affordable to those households earning between Mathematical 80% to 110% of Area Median Income, as established at the time of renovation.

City Workforce Pricing

Assuming today's Area Median Income levels by way of example, these would be the price ranges established for the workforce employed by the City of Alexandria:

Efficiency: between \$140,000 and \$180,000

1-Bedroom: between \$195,000 and \$240,000

2-Bedroom: between \$225,000 and \$330,000

Opportunity for Workforce Rental

- In addition, up to 100 units, including those units rented to qualified elderly, disabled or long-term tenants as described above, will be made available to the City Housing Corporation or a non-profit entity designated by the City at the same price offered to the City workforce, to manage as workforce rental units.

Public Workforce Pricing

Finally, any units that remain will be sold to the general public, but still at discounted workforce prices, as follows and assuming today's Area Median Income levels:

Efficiency: between \$145,000 and \$185,000

1-Bedroom: between \$235,000 and \$270,000

2-Bedroom: between \$290,000 and \$355,000

Market Pricing

- To put the discounted prices outlined above in a proper perspective, we must consider what the market prices would be.
- The market prices for these same units, once they are rehabilitated, would range from

Efficiency: between \$157,000 and \$207,000

1-Bedroom: between \$235,000 and \$386,000

2-Bedroom: between \$310,000 and \$467,000

- These prices reflect the prime riverfront location of the property.

Long-term Affordability

- **IDI is coordinating with the City Office of Housing to establish appropriate resale criteria to ensure continued affordability of these units over time. The intent is to ensure that they remain affordable as workforce housing for future generations of buyers.**

Rehabilitation and Renovation



Hunting Towers

Rehabilitation and Renovation

In Each Dwelling Unit:

- Replace the doors and hardware
- Replace the windows and balcony doors
- Replace the AC units with HVAC heat pumps
- Install new 100 amp electrical load centers and wiring
- Replace the electrical fixtures, outlets, switches and plates
- Replace kitchen cabinets, countertops and appliances as needed
- Replace the kitchen sink and plumbing fixtures
- Install vinyl flooring in the kitchen
- Refinish wood floors (or install wall-to-wall carpeting) as needed
- Install medicine cabinets
- Recoat bathtubs and replace toilets as needed
- Replace bathroom faucets & fixtures
- Replace plumbing piping as needed
- Snake sanitary piping
- Replace baseboard, trim & closet shelving as needed
- Install interlocking smoke detectors
- Point up and re-paint unit

Rehabilitation and Renovation

In the Building Common Areas:

Install new elevator cabs

Install corridor air conditioning

Provide interior decoration of lobbies & corridors

Paint exterior and common areas

Install new gas boilers for domestic hot water, or individual water heaters, as needed

Hydro Jet all waste stacks

Upgrade electrical service from the street

Upgrade electrical transformers & primary feeds

Re-surface & re-stripe parking lots as needed

Repair, replace or add new landscaping as needed

Repair or replace site lighting as needed

Refinish swimming pool & repair pool house as needed

Add expression lines and roof treatments to exterior facade

Expand useable green buffer along Washington Street and plant double row of trees

Rehabilitation and Renovation

- This list represents our estimated scope of work required, based on the areas that we've been allowed to see at the Towers, and without having had the benefit of conducting any in depth testing of the building systems.
- Once IDI acquires the Towers, we will conduct all the necessary engineering studies in order to finalize the scope of work. We will set up one or more typical units to serve as experimental centers. There, we will test materials and techniques, procedures, work sequences, and time requirements for various tasks, in order to understand the complete nature of the work.

Rehabilitation and Renovation

- **IDI will set up a “Hunting Towers Building Coordinator Program”, similar to what we implemented successfully at Parkfairfax, ParcEast and Belleview. This program will include a central Project Control Center on site, staffed by Building Coordinators whose job will be to meet with residents, to walk their homes with them and to explain in detail how, when and where the work will be done. The Building Coordinators will supervise the rehabilitation work and function as the main point of contact between the residents and the contractors during the work.**

Rehabilitation and Renovation

- **IDI anticipates being able to complete all of the renovation work without displacing residents from their units. However, recognizing that there are people who have some personal or medical difficulty that might tend to be aggravated by the work activity, IDI will provide furnished Hospitality Suites to be used for the span required to complete the work. IDI will also provide Day Lounges, with reading materials, television, games and kitchen facilities for use as "daytime only" Hospitality Suites.**
- **IDI will continue to communicate with residents both formally and informally throughout the rehabilitation process.**

Why IDI is Uniquely Positioned to Preserve the Towers



Why IDI is Uniquely Positioned to Preserve the Towers

IDI is the only party in the unique position to preserve the Towers as affordable workforce housing, for the following reasons.

IDI has entered into a joint venture with the previous owner of the site and, therefore, IDI has the right of first offer from VDOT to purchase the Towers.

IDI is also in the unique position to generate the very large subsidy needed to preserve the Towers, and to privately finance the rehabilitation of the Towers without any public money, through its proposed development on the Terrace site.

Over its 32 year history, IDI has preserved over 3,000 rental units by converting them to affordable workforce condominiums in and around the City of Alexandria – approximately 2,000 homes at Parkfairfax and ParcEast, another 1,000 homes at Belleview in Fairfax County, and most recently 60 homes at Dominion Terrace in Arlington County. IDI has the experience, the know-how and the financial capability to implement its proposal.

Why IDI's proposal is Extraordinary and Should be Approved



Hunting Towers

Why IDI's proposal is Extraordinary and Should be Approved

Over the past 15 years the largest number of affordable workforce housing produced or preserved by any single project in the City of Alexandria was 36 units. During the same period of time, the number of affordable workforce housing produced or preserved in the whole City of Alexandria was 137 units, which averages out to 9 units per year. IDI is committing to preserve all 530 units in the Hunting Towers as affordable workforce housing – 530 units in one single project is unquestionably extraordinary!

While IDI finalizes a contract with VDOT, it has committed \$20,000,000 to the City of Alexandria as collateral to insure its commitment to preserve the Towers as affordable workforce housing. No other development has ever proffered such a large amount to the City for affordable housing.

While preserving the Towers as affordable workforce housing, IDI will develop Hunting Creek Plaza, a luxury condominium community on the Terrace site that will provide substantial benefits to the City as well as to the citizens of Alexandria:



Washington Street Rendering from Hunting Towers

First, the architecture of Hunting Creek Plaza will reflect high quality and distinction;

Second, Hunting Creek Plaza will provide a much needed upscale housing opportunity for a number of Alexandria residents, responding to the increasing demand for such housing;

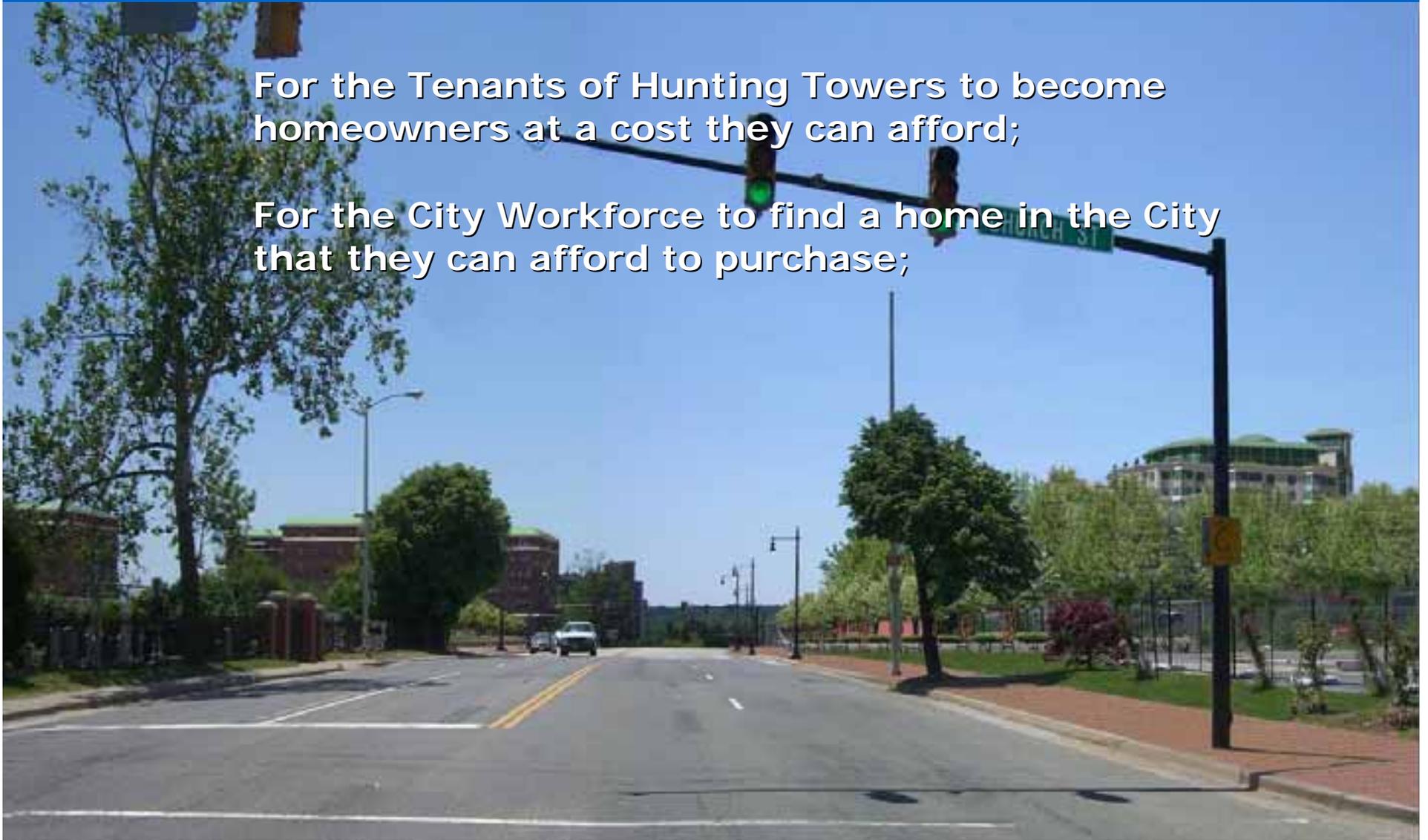
Third, according to a Fiscal Impact Report prepared by Drs. Stephen S. Fuller and Dean D. Bellas, the net annual financial benefit to the City generated by the Hunting Creek Plaza project is projected to exceed \$1,000,000 per year.

Fourth, the benefits to the City's economy are just as impressive: \$18.9 million in new spending each year; \$1.2 million in new personal earnings for the City's residents; 55 new full-time jobs supported.

We feel very strongly that our proposal presents the City with a unique “win-win” opportunity:

For the Tenants of Hunting Towers to become homeowners at a cost they can afford;

For the City Workforce to find a home in the City that they can afford to purchase;



**Photo Montage:
Washington Street – Southbound at Church Street**

We feel very strongly that our proposal presents the City with a unique “win-win” opportunity:

For homeowners in Alexandria to move to a luxury condominium community on the waterfront;

For the City of Alexandria to improve its quality of life, to retain its workforce and to achieve substantial economic growth.



**Photo Montage:
GW Parkway – Northbound at Hunting Creek Bridge**

Why Citizens of Alexandria should Support the IDI Proposal:

Because it improves the quality of life in Alexandria by providing housing to our local workforce;

Because it will upgrade the southern gateway to the City on both sides of Washington Street, through the 80-foot set back and landscape buffer on one side and the double row of trees on the other;

Because it will stabilize the neighborhood by converting 530 dwelling units from rental to ownership;

Because it will improve the appearance of the Towers' exterior façade and roof;

Why Citizens of Alexandria should Support the IDI Proposal:



Because if IDI's proposal is not approved, the preservation of all 530 homes at Hunting Towers as affordable workforce housing will not be possible.

Hunting Creek Area with Proposed Hunting Creek Plaza